

BUTLER COUNTY BOARD OF SUPERVISORS

March 6, 2026

An emergency meeting of the Board of Supervisors of Butler County, Nebraska, was held on the 6th day of March 2026 at the Butler County Courthouse in David City, Nebraska, at 1:00 p.m. Pursuant to §84-1411(5); the purpose of the Emergency Meeting was to address a personnel issue so as to move forward with the continuity of operation of the Senior Center.

Present were the following: Scott Steager, Tony Krafska, Scot Griess, Scott Griess, Bob Coufal, Brad Vandenberg. Absent: Jan Sypal.

Pursuant to §84-1411(4), notice of the meeting was sent via email as a press release to the Banner Press prior to calling the meeting to order. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public.

The Pledge of Allegiance was recited by all present. The Chairman called the meeting to order and announced that a complete copy of the Open Meetings Act is posted in the meeting room.

Moved by Vandenberg, seconded by Bauer, to enter into executive session at 1:02 p.m. to review the Senior Center audit findings, inviting in County Attorney Julie Reiter and County Treasurer Karey Adamy. Upon roll call vote the following voted:

Aye: Vandenberg, Krafska, Bauer, Griess, Coufal, Steager

Nay: None.

Absent: Sypal.

Motion carried.

Moved by Coufal, seconded by Krafska, to exit executive session at 1:39 p.m. Upon roll call vote the following voted:

Aye: Coufal, Vandenberg, Krafska, Bauer, Griess, Steager.

Nay: None.

Absent: Sypal.

Motion carried.

Chairman Steager confirmed with Senior Center Director Diana McDonald that she received a letter informing her of the meeting via email. Moved by Griess, seconded by Vandenberg, to enter into executive session at 1:41 p.m. regarding Senior Center investigation findings and recommendations of the HR Director, inviting in McDonald, HR Director Aida Hickman, and County Attorney Reiter. Upon roll call vote the following voted:

Aye: Griess, Coufal, Vandenberg, Krafska, Bauer, Steager.

Nay: None.

Absent: Sypal.

Motion carried.

Moved by Vandenberg, seconded by Coufal, to exit executive session because McDonald requested that the discussion take place in open session. Upon roll call vote the following voted:

Aye: Vandenberg, Coufal, Griess, Bauer, Krafska, Steager.

Nay: None.

Absent: Sypal.

Motion carried.

County Attorney Reiter explained to McDonald that while it was her right to request that the discussion regarding her job performance be held in open session, that would mean that the Board and HR would be able to discuss openly in a public meeting things that would otherwise be considered confidential work performance they would not otherwise discuss in public. McDonald stated she understood and requested that the issues be discussed in open session.

McDonald stated that she was never trained properly, she was appointed to the Senior Center Director position with no training and figured it out by herself. If things need to be done differently, that can be done. She also distributed a letter to Board members.

Chairman Steager invited HR Director Hickman to outline the investigation process and share results of the investigation. Hickman stated that retired HR Director Heidi Loges began the investigation on December 2, 2025. Hickman referenced handbook violations and falsification of personnel records, noting omission of information submitted to the County. She provided a copy of the employee handbook for Board Members to use as reference if/as needed.

On December 1, 2025, a call was recorded between Diana McDonald and Logan McDonald, an inmate in the Butler County Detention Center. This call referenced the use of \$1000.00 of Senior Center funds to bail him out of jail. Diana McDonald told Logan McDonald that funds were supposed to be used to purchase a refrigerator but had not been spent yet so she had the cash on hand.

On December 3, 2025, Nebraska Auditor of Public Accounts (APA) staff members were at the courthouse as part of the County's FY2024-2025 audit and were informed of a possible mishandling of \$1500 in cash. In August 2024, the Senior Center received a grant award of \$1500.00 from the Nebraska Department of Health and Human Services (DHHS). Payment purpose and prohibited uses were outlined in the letter which accompanied the check. Diana McDonald stated that the funds were to be used for bonuses, gym memberships, or zoo memberships. McDonald further stated that she met with employees Diane Kozisek, Tara Hough, Denise Marvin, and Joanna Brandenburgh, and together they decided to donate the money (\$300 each) back to the Senior Center to purchase a refrigerator. She said she did not hand out the money but held onto it in order to purchase said refrigerator. HR Director Hickman noted that McDonald produced hand-written receipts showing \$300 each to herself, Kozisek, Hough, Marvin, and Brandenburgh. Hickman also referred to the Nebraska APA Audit Report dated February 12, 2026, which details the interactions between Senior Center staff and Nebraska APA staff on December 3, 2025, December 22, 2025, and January 7, 2026.

McDonald referred to the recorded phone call back in December and stated she "told (her) son that to get him off (her) back." She said she went home and got the money, that she did not use the money from the Senior Center, and the money never left the Senior Center. This was confirmed by Hickman.

Hickman continued with the investigation report, noting that the \$1500 was not disclosed to the APA when APA staff conducted a cash audit of the Senior Center. Upon further questioning by the APA, McDonald falsely stated that the funds had been disbursed to the five employees (McDonald, Kozisek, Hough, Marvin, and Brandenburgh). The funds were ultimately retrieved by retired HR Director Heidi Loges and Supervisor Brad Vandenberg. Hickman said she interviewed McDonald regarding how cash was received and noted that record-keeping is not consistent. She said she asked McDonald how donations are handled, and there appeared to be no specific policies/procedures in place. Hickman noted the \$1500 was not returned to the County; McDonald stated that is because it was to be used to purchase a refrigerator.

Hickman continued that McDonald was suspended on February 27, 2026, after which additional cash was found in McDonald's desk in two separate envelopes. McDonald explained to the Board that one envelope containing money was a cookies fund and the other was "fun money" from Tony Dolezal. Hickman noted that the cash was not accounted for in any way. No one at the Senior Center was able to explain the process/procedure for handing cash. The \$1500 check from DHHS was received by McDonald but never submitted to the County Treasurer and never reported until the recorded phone call over a year later. McDonald stated that the check was not cashed; it was deposited and immediately withdrawn. Hickman continued that misinformation was provided to APA auditors. Cash receipts were created after January 2026. McDonald noted that she emailed DHHS and received a copy of the letter from August 2024. She also asked DHHS to provide an explanation for the Board, but they did not respond. She stated the \$1500 was never County funds and never should have been an issue. She stated that retired HR Director Loges and Supervisor Vandenberg told her she needed to buy the refrigerator. County Treasurer Adamy interjected that when the five Senior Center employees donated the \$1500 back to the Senior Center it became County funds. The check was made payable to the Butler County Senior Center but was never sent to the County Treasurer. McDonald admitted she should have asked or talked to someone else, but she has never done this before. HR Director Hickman continued that the letter

from DHHS clearly stated what to do with the funds and that 1099-Gs needed to be issued. Hickman stated that McDonald never had a conversation with County Treasurer Adamy or the Board regarding the funds. She further stated that even if it did not actually happen, the recorded phone call clearly demonstrates McDonald's intention to use Senior Center funds to bail her son out of jail.

McDonald stated that she has been in this position (Senior Center Director) for ten years and has never had anything like this happen before. Obviously she should have done things differently, but she made one mistake.

County Attorney Julie Reiter referred to the APA audit report, which states that the \$1500 was not reported by Kozisek to APA auditors. She asked McDonald if she had read the APA audit report; McDonald responded that she fast-read it, but not the whole thing. County Attorney Reiter read that portion of the APA report that discussed that the APA had to request several times to count/audit all of the cash on hand and the cash was not produced to the APA as requested. McDonald provided no response.

Audience member Tara Hough stated that HR Director Hickman did not reach out to her (Hough) during her investigation. Hickman agreed, stating that she contacted active/current employees. She did not contact Hough because Hough is not a current employee.

Supervisor Vandenberg stated that the Senior Center is out of compliance with the Nebraska Department of Transportation (NDOT), as employees have not completed the required two-hour refresher training. McDonald explained that it was too difficult for employees to travel to training. She requested that training be done onsite at the Senior Center, but they never responded. Supervisor Vandenberg also noted that the Senior Center has 5 tablets to be used by the drivers. The County pays \$140/month for the tablets, which are not being used and are in a box in McDonald's office. McDonald stated that the County gets reimbursed by the State for the tablets, and that they are part of a program that the State has not yet rolled out. Supervisor Vandenberg also referenced a 2024 van that needs a lift installed. McDonald stated that something in the panel needs to be fixed and the van came from Kansas City.

HR Director Hickman continued her investigation report, noting that Senior Center staff reported that McDonald often took cleaning supplies home and brings her personal trash to the Senior Center, so she does not have to pay for trash service at her home. McDonald stated that other Senior Center employees bring their trash to the Senior Center as well. Hickman further stated that Diana has ordered from Cash-Wa for personal items to be delivered along with Senior Center orders, noting that items were receipted separately and paid separately, never by the County. McDonald stated that other Senior Center employees have done the same thing.

Hickman recommended that clear training on processes and procedures be implemented. She also recommended the termination of McDonald, citing the nature of allegations, violation of trust, and violation of ethical standards outlined in the employee handbook. Hickman stated that she did not feel it was simply a matter of training due to employees being told different things at different times, the APA audit report, the recorded phone call. Strict adherence to ethical standards must be maintained. She advised the Board that if they do not take action, it will serve as a precedent for any County employee going forward. She also recommended policies and procedures regarding monetary funds be reviewed and enforced, and that training be provided to all Senior Center employees.

McDonald stated that she has been at the Senior Center for ten years and made one mistake. The money is there.

Dayle Ourada, McDonald's mother, stated that she started at the Senior Center as a volunteer and so many people have come and said that the Senior Center is so much better and people want to come. Applause erupted from the crowd. Greg Janak, Senior Center Advisory Board, said he has been around a long time and has worked with Diana. He vouched for her integrity and her love for those who use the Senior Center.

Supervisor Tony Krafka stated that he was on the Board when McDonald was hired and that she turned a mess into a good thing, no problems in ten years.

Supervisor Vandenberg told McDonald that the investigation was not personal, but his job as a County Supervisor.

Supervisor Krafka stated that there are procedures that need to be revised. Regardless of what is decided, there has been neglect by the Board. Discipline is necessary, but not termination. He asked HR Director Hickman what other options there were besides termination. Hickman responded that an alternative would be a Performance Improvement Plan (PIP) for a finite period of time. Krafka stated that McDonald could work with County Treasurer Adamy on financial procedures and said, "I think we can make it work with Diana."

Chairman Steager noted that, at minimum, a policy is needed for any funds received. County Attorney Reiter stated that any funds coming into the Senior Center, whether it is for a meal or a donation or anything, is, by law, County money. McDonald stated that the Senior Center received a \$39,000 donation, which was deposited into the Senior Savings Fund. County Attorney Reiter said she would research what donated funds can be used for, noting that bequests for specific purposes are different; they can and should be honored. Chairman Steager stated that regardless of the Board's decision regarding McDonald, anything that is paid for with cash must be receipted, logged, and reported to the Board. Moved by Vandenberg, seconded by Griess to terminate Senior Center Director Diana McDonald. Supervisor Griess noted that leadership comes with certain expectations. Gladys Scofield commented that attendance at the Senior Center has doubled. She told the Board that letting McDonald go would be a mistake. Upon roll call vote the following voted:
Aye: Vandenberg, Griess.
Nay: Coufal, Bauer, Krafka, Steager.
Absent: Sypal.
Motion failed.

Discussion continued about a PIP. Hickman explained that in a PIP, specific goals and objectives are outlined with regular follow-up reviews with the Board or liaison. At any given point, the County would have the right to terminate employment if needed. Chairman Steager stated that we (McDonald, the Board, liaison(s) need to do better. Supervisor Krafka stated that McDonald has tried to operate the Senior Center without help. He told McDonald if she doesn't understand something, she needs to ask. County Treasurer Adamy was asked about doing a full department audit and how many years to go back. She stated that it would be hard to go back since she has no idea how much cash that has come into the Senior Center has been documented. Supervisor Krafka asked about prior APA audits. HR Director Hickman stated that inconsistent cash reconciliation has been noted by the APA on multiple prior audits. Chairman Bauer stated that a satisfactory audit should be included in the PIP goals.

Moved by Krafka, seconded by Griess to reinstate Senior Center Director Diana McDonald, placing her on a one-year probationary period subject to a Performance Improvement Plan to be prepared by HR Director Hickman, with pay during her suspension. Upon roll call vote the following voted:
Aye: Krafka, Bauer, Griess, Coufal, Vandenberg, Steager.
Nay: None.
Absent: Sypal.
Motion carried.

Hickman shared with the Board the importance of confidentiality. She reminded them that employee concerns must be handled confidentially because employees fear retaliation and in one instance, were treated retaliatorily. This can be included in the training to be implemented, but the training must also be attended by Board members. We must ensure that employees and volunteers are treated respectfully and fairly.

County Attorney Reiter commended HR Director Hickman, noting that these issues are very difficult. Hickman was only recently hired and immediately had to address this issue and conduct the investigation. She demonstrated the utmost professionalism and did a remarkable job conducting a very complex investigation. Hickman recommended McDonald's paid suspension continue until the PIP goals/objectives are established. Moved by Bauer, seconded by Krafka, to keep McDonald on paid suspension until the PIP goals, objectives, and review schedule is established by the HR Director and Senior Center liaison(s). Upon roll call vote the following voted:
Aye: Bauer, Krafka, Vandenberg, Coufal, Griess, Steager.
Nay: None.
Absent: Sypal.

Motion carried.

There being no further business to come before the Board, the Chairman adjourned the meeting at 3:31 p.m. The next regularly scheduled meeting of the Board of Supervisors will be March 16, 2026, at 9:00 a.m.

Lori L. Aschoff
County Clerk

Scott Steager
Chairman