

**Berrien County Board of Commissioners**  
**Finance Committee Minutes**  
**Thursday, July 25, 2019**  
**Kenneth L. Wendzel Conference Room**

**Finance Committee Attendance:**

Commissioner Mamie L. Yarbrough - Chairperson	Present
Commissioner Robert P. Harrison - Vice Chairman	Present
Commissioner Jon Hinkelman	Present
Commissioner Ezra A. Scott	Present

**Others Present:** County Administrator Bill Wolf, Chairman Mac Elliott, Financial Services Director Doug James, Accounting Coordinator Cheri Vance, Fleet Manager Tod Rainey, Chief Deputy Robert Boyce, Nate Balderman of Rehman Robson, Drain Commissioner Christopher Quattrin, Drain Commissioner Chief Deputy Susan Herrmann, and Executive Assistant to the Administrator Annette Christie.

Meeting called to order 9:24 a.m.

Public Comments: None

**Q & A Administrator/Board Chair:**

Chairman Elliott brought up about a large assessment on a drain project that will end up with a large portion being distributed between the Road Dept. and the County. Our Corporate Counsel James McGovern advised that we ought to appeal it. Mac said that the Drain Code allows us 10 days to appeal it. Tuesday is when the notice came out. James has identified a law firm in Grand Rapids that has experience in that field having done work for other road departments and commissions. There was some discussion about the hourly rate that the firm charges. Mac said he was trying to make everyone aware and gather their thoughts. The drain is the Baushke-Brado Drainage District along Duncan Road. Commissioner Hinkelman said his concern was that if we say this is too much for us and our portion is lowered, it goes to the other taxpayers in the drainage district. Administrator Bill Wolf said that the Road Department is being charged with a special assessment, or about \$283,000. The norm for their portion is about 8%.

Commissioner Scott noted that New Buffalo had a similar situation happen but there was some confusion over when the 10 days started and they missed their window to challenge the assessment they were being charged on the Lighthouse Creek Drain. He shared the concern that Hinkelman had that if we appeal this and get it reduced, it's a bad situation because it goes back on the taxpayers. Following the discussion, the Finance Committee gave consensus for Corporate Counsel to move forward with Adam Tountas from the firm of Smith & Haughey in order to appeal the special assessment being charged to the Road Department and Berrien County for the Baushke-Brado Drainage District maintenance project.

### **Bid Openings: Cheri Vance**

**Bid 2019-064** - The bid was for (7) 2020 Chevrolet Tahoe police vehicles. Only one out of eight bidders responded. Berger Chevrolet, Grand Rapids bid \$36,186 each for six of the vehicles and \$36,163 for one of the vehicles that had different specs. There was some conversation about using My Deal and why it is not done for police vehicles. Commissioner Scott asked that it be looked into to find out what the price would be had they gone that way. Fleet Manager Tod Rainey said he would look into that. Motion by Commissioner Harrison, supported by Commissioner Hinkelman to refer the bids back to the department for review and if it meets specifications and requirements, they can move forward with a requisition. Motion carried. Rainey will get back to the Finance Committee on the price of the My Deal vehicles.

**Bid 2019-070** - The bid was for Adams Road HMA Overlay by the Road Department. Three bidders of three responded: Walsh & Kelly (\$108,140.28); Rieth-Riley (\$123,986); and Michigan Paving (\$137,306). Motion by Commissioner Scott, supported by Commissioner Harrison to send it back to the Road Department with the approval to move forward with the lowest bidder if they meet specifications and requirements, however, recognizing that the best qualified bid can move forward. In addition we authorize the County Administrator to execute the subsequent contracts associated with the bid and any contract modification up to \$5,000.

**Bid 2019-071** - The bid was for Watervliet Township Ultra Thin project by the Road Department. Two bidders out of three responded: Rieth Riley (\$85,479.50); Michigan Paving (\$113,956). Motion by Commissioner Scott, supported by Commissioner Harrison to send it back to the Road Department with the approval to move forward with the lowest bidder if they meet specifications and requirements, however, recognizing that the best qualified bid can move forward. In addition, we authorize the County Administrator to execute the subsequent contracts associated with the bid and any contract modification up to \$5,000.

### **Drain Commissioner Audit Corrective Plan**

The Finance Committee asked some questions of Doug James and Nate Balderman prior to the Drain Commissioner presenting on his corrective action plan. Commissioner Scott noted that we have had some problems with the Road Department due to conflicts in the purchasing policy and the Act 51 statute confusing the issue on what needed to be followed. He questioned how it came to be that the audit firm was looking at the Drain Commissioner's finances because their processes are not new. Nate Balderman said that the audit firm is not required to test controls and have a standard assumption that everyone is following the policies. He said while the law may allow certain things everyone needs to follow policies. Commissioner Scott wanted to know how the auditors knew that the Drain Commissioner wasn't following policies because if we were cherry picking departments that concerned him. Balderman stated that the audit firm has their processes, they ask questions, there are interviews and it can come up during that, flagging that they may need to look at something closer. He said it is was a combination of things and that there was something told to them with regard to the Drain Commissioner and a purchasing policy. Balderman noted that without written policies there is always a higher risk.

The Drain Commissioner and Chief Deputy Susan Hermann came it to go over the policy they wrote for purchasing within their office due to the audit noting that they did not have an appropriate procedure for purchasing. Quattrin said they have written a policy that they have pulled from the Drain Code. The Drain Commissioner reminded the Committee that he is not a department and he is a Commission of one, much like they are a Commission of 12. Quattrin said that the Drain Code does have guidance on

purchasing and that he used that in creating the policy. Commissioner Scott noted that while the Drain Commissioner may not be a County department, the employees that work for him are county employees. Doug James handed out the policy provided by the Drain Commissioner with his questions and notes on it and the Drain Commissioner balked at that stating that his counsel did not have a chance to look them over yet as they just received them at 4:00 p.m. the day before. James told the Committee that they would have all sat down and talked about it by July 15, with Quattrin and Wolf but that never happened. Quattrin said the policy is what the statute requires and that it is his duty is to follow the law.

Quattrin reminded the Commissioners that there is no bidding required by his office, the Drain Code says it and the Attorney General said it. He said it is more costly to do competitive bids. Quattrin, stated that it is interesting in the drain world there are a handful of engineers that know how to do that and he said their rates are bid out (didn't specify where). He stated that his engineering expenses are 40% less than normal engineering charges and his legal fees are less than the average. He stated that when a project is a petition project he lets the township pick the engineering firm. He said that if you look at the work that he has done and the cost, it is very, very cheap. He said it is not the Administrations' jurisdiction, who he uses, what he pays, they do not control the decisions he makes and that he isn't even required by law to work with Administration. He said he doesn't have to let his checkbook be with the County. The Drain Code only stipulates that he has to work with the Treasurer. Commissioner Harrison asked if within a two-week period that all the parties could have a summit and both agree on a policy that could be presented to the Finance Committee by August 8. James and Quattrin said that they could.

Committee Business:

Resolution F1907038 - Weekly Bills signed by all present  
Resolution F1907121 - Road Payables signed by all present  
Bid Request #2019-073 - signed by all present

Motion by Commissioner Scott , supported by Commissioner Harrison to approve the minutes of the July 18, 2019 Finance Committee meeting.

Meeting adjourned 10:30

Respectfully submitted,

Annette Christie