

**Richland Village Council
8985 Gull Road
Special Meeting
May 29, 2014**

Council approved as amended – JWH

Present: President Bob Prentice, Clerk Jacqueline Holewa, Treasurer Terry Edds and Trustees: Paul Gobble, Doug Jonas, Gail Koporetz, Virginia Gross, Diane Briggs, Rob Brinkerhoff

Absent: NONE

The was meeting was called to order in the Richland Community Hall by President Bob Prentice, at 6:30 pm

Pledge of allegiance was led by President Prentice.

Guests:

1. Jeff Rood and Steve Bryer from Seigfried and Crandall were present to review the recent Village audit. Jeff Rood was the field auditor and handed out a document with a list of items to be covered. He discussed each item on the handout. He had some questions about his findings. The council members responded to each item, asking for some guidance about how to correct the issue. Most of the issues regarded internal controls.

The questions raised by Rood:

2. The 3 Tahoes that were purchased – were they authorized and did council follow purchase policies as set forth in the village ordinances? The minutes reflect on 9.9.13 approved purchase of 2 Tahoes for \$20,000 – 11.11.13 mentions purchase of 3 Tahoes for \$36,000.
3. ~~Suggested correction~~ *Summary of discussion: Council should ~~monitor purchases and~~ follow the purchasing policy according to the ordinance more rigorously.*
4. Drug Forfeiture bank account established by Chief Mattioli in July 2013 as reported to Jeff Rood. The treasurer presented bank statements indicating that the Drug Forfeiture bank account was established October 2012. Rood stated that Chief Mattioli is an employee and as such cannot open an account for the village. Only the Treasurer is allowed to open accounts and by law (Michigan Compiled Law - MCL 64.9) a treasurer has custody of ALL money and must record all activity in the accounting records. Banking accounts must have Village officials on the account. Treasurer Edds requested that the account be closed and any money in the account be deposited into the Village account. Jeff Rood stated that petty cash held in police department should not be used for expenses.
5. ~~Suggested correction~~ *Summary of discussion: The Treasurer is to take control of the Drug Forfeiture bank account.
Internal controls-the Village should use a 3 part receipt book to receipt in all money. The Police Department should have one as well as the clerk & treasurer. The Police Department*

should stop using the petty cash money – petty cash is to be used only for giving change to a person. Expenses should be given to the clerk for disbursement. It amounts to a false reporting of an account.

6. Pooled checking account not reconciled to General Ledger in a timely manner. Result is under recorded revenues and overstated outstanding checks.
7. ~~Suggested correction~~ *Summary of discussion: Review reconciliation by a council member (budget committee) then date & initial. Add the reconciliation as an item on the agenda each month.*
8. It was reported in the November 11, 2013 minutes that the Village had received a donation in the amount of \$12,000 to be used exclusively for the police department equipment. As of February 28, 2014 \$8,000 has been received. Will the Village receive the remaining \$4,000? Purchases for the equipment was made on the reliance of the reported amount of \$12,000.
9. ~~Suggested correction~~ *Summary of discussion: Council should research when the remaining money will be received. In the future, purchases contingent upon a contribution should not be made until all money is received.*
10. A Kubota was sold in February without advertising for sealed bids. This is contrary to the Village ordinance regarding the selling of Village assets. No approval mentioned in the minutes no bid accepted.
11. ~~Suggested correction~~ *Summary of discussion: Council should follow the Village policies as set forth in the Village Ordinances. All assets are to be advertised and sold with a sealed bid.*
- ~~12. The police contracted with Gull Lake Schools and WMU to provide services for football games and special events. The Village does not have agreements/contracts with the schools. There are many considerations that should be taken into account – insurance liability, are all costs being covered (police wages, gas, and vehicle use).~~
13. ~~Suggested correction~~ *Summary of discussion: The Village should obtain written agreements/contracts with the schools. Insurance liability should be discussed with the Village insurance agent – the Village should not be exposed to any unnecessary liability.*

Comments from Village residents:

14. Millard Ross, former Village police chief: Was the police chief making unauthorized purchases?
15. Doug Jonas, Trustee: *The chief was acting on the “intentions” the council – not documented with a motion.*
16. Ross: The drug forfeiture account was not a state authorized account?
17. Bob Prentice, Village president: *The account will be moved to a state authorized account under control of the Village Treasurer.*
18. Ross: Sounds like the tail is wagging the dog. The council should instruct the chief to follow state requirements.

19. Gary Druin, Village resident: Was the council aware of the chief opening the drug forfeiture account?
20. *Paul Gobble, Trustee: That is an unfair question – you cannot expect council to recall that far back.*
21. *Doug Jonas: It is a matter of internal controls – approval and budgeting for disbursements.*
22. Jeff Lambert, Village resident: Questioned the extra cost of heating of the DPW building as a workout room. Should the building be insulated?
23. *Bob Prentice: The building is one unit and there is no additional cost.*
24. The council discussed other general questions with the accountants regarding the budget.

Discussion:

Title VI Plan – the Village is required to have a Title VI Non-Discrimination Plan if they accept Federal grants. Right now the Village is using grant money to compensate the construction of East D Avenue.

Action Point:

Motion to accept the Title VI Non-Discrimination Plan as prepared by Village Attorney Soltis which would be in compliance with MDOT. – Gobble/Gross

Roll Call: Gobble-yes; Brinkerhoff-yes; Koporetz-yes; Gross-yes; Briggs-yes; Jonas-yes; Prentice-yes – CARRIED

Discussion:

Sgt. Waddell filed a verbal complaint to President Prentice against the clerk. Complaint: The clerk paid time and half for overtime worked by Sgt. Waddell as reported on his timesheet. Sgt. Waddell stated that some of the reported hours were volunteer hours. Clerk's response: She is required by law to pay overtime for all hours worked over 40 hours per week as reported on a timesheet.

Action Point:

Do not report "volunteer hours" on a time sheet.

Motion to adjourn Gobble/Jonas – **CARRIED**

Meeting adjourned at 8:44 pm

Respectfully submitted by

Jacqueline Wanda Holewa,
Village of Richland Clerk