

Van Buren County Board of Road Commissioners

March 5, 2020

Regular Meeting - Administrative Office, Lawrence, Michigan

BE IT REMEMBERED: That on the 5th day of March, 2020 at 5:00 PM, E.D.T., the Board of County Road Commissioners for the County of Van Buren met in regular session in the offices in Lawrence, Michigan.

PRESENT: Road Commissioners Askew, Boze, Burleson, Kinney, and Moffat
Managing Director Dan Bishop
Finance Director Linnea Rader
Highway Engineer Barry Anttila

GUESTS: Linda Norton, Columbia Township
Steven Rogusta, Village of Breedsville
Mike Chappell, County Commissioner

Chairman Kinney called the meeting to order at 5:00 PM.

Moved by Boze, seconded by Moffat to appoint Linnea Rader as the acting Board Secretary in Board Secretary Brien's absence.

AYES: 5
NAYS: 0
MOTION CARRIED.

Moffat requested that 10E, Asset Management Plan be added to the agenda.

AYES: 5
NAYS: 0
MOTION CARRIED.

Motion by Moffat to approve the Agenda as amended.

AYES: 5
NAYS: 0
MOTION CARRIED.

Moved by Boze to approve the minutes of the February 20, 2020 meeting as presented by Board Secretary Rader, with the addition of Commissioner Moffat attending the Almena Township Board meeting on February 19th, 2020.

AYES: 5
NAYS: 0
MOTION CARRIED.

The Chairman opened the meeting to public comment.

Linda Norton, Columbia Township Supervisor, requested the agenda item for the decertification of roads within Columbia Township be tabled until the Columbia Township Board passes a resolution.

Commissioner Kinney provided insight about roll call voting. Discussion ensued about proper Board voting and verbiage to be utilized. Boze provided opinion on present vs abstain voting.

Motion by Kinney to complete roll call votes only per the Michigan Attorney General recommendations or by law. Seconded by Burleson.

AYES: 4
NAYS: 1 (Boze)
MOTION CARRIED.

Staff Reports

Managing Director: Bishop provided a summary of the report provided to the Board. He attended the Senior Services Lunch in Antwerp Township. Reviewed the millage renewal coverage by WWMT and the Courier Leader. He is working with the Road Commission for Kalamazoo County and 911 Central Dispatch regarding street name signs and has requested Road Commission supervisors collect street name signage issues from staff. Bishop provided clarification to the decertification conversation explaining the difference between decertification and abandonment of roadways. He and staff met with Lt. Kirk about the County Emergency Action plan and will work to develop necessary emergency plan language. Discussion about actuarial assumptions and state requirements.

Commissioner Boze provided input on difference between present, abstain and pass indications during Board votes.

Finance Director: Rader provided a summary of the report provided to the Board. Interviews took place earlier this week for Road Maintenance Employees, a General Mechanic and a Heavy Equipment Mechanic. Many qualified applicants were interviewed, offers of employment will be extended next week. Brucks, Bishop and Rader are meeting with the Union representatives to discuss contract language modifications. Discussion about when or if the Board will need to approve such changes. Rader is working on developing a modified approach to train road staff. Pension documentation was sent to the actuary in December, the completed actuarial report is expected in mid to late March. Rader is working on the Road Commission's Act 51 financial report and the auditor is expected in mid April. The 2020 Operations budget was provided. A chart explaining cost fluctuations from 2004 until the present time and discussion took place over the drastic cost increases in many regularly utilized materials. The schedule for upcoming training and conferences was provided.

Fleet and Facilities Superintendent: Staff provided information for Rohacs. The loaders that were ordered are scheduled to be complete in mid-April. The tri-axle and tandem trucks are expected the first week of April.

Highway Engineer: The CR 374 tree project is complete, burning of brush is underway. CR 653 tree work is complete in advance of the 2020 Federal aid project. The contractor has started work on the 80th Avenue tree project. Staff is working on the plans and estimate for the CR 690 drainage concern as well as the CR 380 project from the Village of Breedsville to the Columbia/Bloomington Township line. Wightman will be completing the survey work for the CR 374 project. The schedule for the 10 bridge preventative maintenance projects was provided in the weekly update. Milbocker should be starting work on the Red Arrow Highway bridge over the Pine Creek today. Anttila and Bishop attended the M-40 at I-94 interchange reconstruction project meeting which contained conceptual level discussion over the available project options.

Operations Director: Staff provided a summary of the report provided by Brucks. Slag for this year's seal coat program is currently being hauled in. Contract Gravel bid tabulations have been corrected to show the proper Bloomington Township low bid price. All general operations information is provided within the weekly update that is distributed.

Motion by Boze to approve the following Vouchers:

Voucher #2139	\$123,124.32
Voucher #2140	\$151,557.53

AYES: 5
NAYS: 0
MOTION CARRIED.

Linda Norton questioned the safeguards in place for credit card usage. Staff provided details as to the purchasing policy, receipt requirements and procedures in place to ensure proper usage.

Motion by Boze, seconded by Moffat to amend Policies 2014-01, 2006-02, 2005-02, 2018-02, 2015-02 and 2016-05 as follows:

COLLECTIVE BARGAINING POLICY
Van Buren County Road Commission
Policy No. 2014-01

The Board of County Road Commissioners of Van Buren County adopts the following procedures for negotiations with its bargaining unit represented by the American Federation of State, County, Municipal Employees (A.F.S.C.M.E.).

The Commission's bargaining team shall be composed of the Commission's Labor Attorney, ~~Engineer-Manager~~ **Managing Director**, and Finance Director. The Labor Attorney shall be the Chief Spokesperson for the Commission and its bargaining team. The ~~Engineer-Manager~~ **Managing Director** and the Finance Director shall provide the Chief Spokesperson with the operational and financial information to support bargaining positions to advance the interests of the Commission.

The bargaining team shall have the full authority to negotiate on behalf of the Commission for a bargaining agreement with A.F.S.C.M.E. on behalf of the bargaining unit employees, subject to final approval by the Commission.

The negotiations shall be conducted in accordance with such ground rules as the bargaining team shall determine in conjunction with the A.F.S.C.M.E. bargaining team. The Commission's bargaining team will negotiate in accordance with the requirements of the Public Employment Relations Act, MCL 423.201, *et seq.*, including bargaining as requested over all mandatory subjects of bargaining, bargaining in good faith and committing any final agreement to writing to be ratified by the Commission and the bargaining unit employees.

VAN BUREN COUNTY ROAD COMMISSION
POLICY NO. 2006-02

"CROSS TRAFFIC DOES NOT STOP" SIGN INSTALLATION WARRANTS

"Cross Traffic Does Not Stop" (with arrows), should be considered for use as follows:

- A four-legged intersection with a minimum traffic volume of 3,000 vpd on a least three of the four legs; and
- Where crash data shows at least an average of eight (8) crashes per year over a minimum of five (5) years; and
- Where over 60% of those crashes can be classified as "failed to yield" or "disobeyed a traffic control device"; and,
- It can be shown by review of the UD10 that the drivers involved in these crashes stopped at the stop sign, then proceeded into traffic. Special attention should be given to the reports where the parties involved state that they "thought it was a four-way stop".

Final approval shall be based upon the above-recommendations and associated engineering review/study by the ~~Engineer-Manager~~ **Managing Director**, or his designee.

POLICY No. 2005-02
BOARD OF COUNTY ROAD COMMISSIONERS
OF THE COUNTY OF VAN BUREN

SUBJECT: FRAUD

PURPOSE:

The Van Buren County Road Commission is committed to protecting its revenue, property, information, and other assets from any attempt, either by members of the public, contractors, sub-contractors, agents, intermediaries, or its own employees, to gain, by deceit, financial or other benefits. This policy prohibits fraud or misuse of Van Buren County Road Commission assets and sets forth specific guidelines and responsibilities regarding appropriate actions that must be followed for the investigation of fraud and other similar irregularities.

DEFINITIONS:

As used in this policy, the terms listed below shall have the following definitions:

Embezzlement is to misappropriate property entrusted to one's care to one's own use.

Misappropriate means to wrongfully take or make use of an asset without authority or right.

Loss is defined as the Van Buren County Road Commission losing possession or control of any type of asset through fraudulent activities.

Employee(s) refers to all Van Buren County Road Commission employees, independent contractors, consultants, and temporary workers.

Assets refer to the entire property of the road commission and include but are not limited to, all road commission vehicles, equipment, and building property, computers and software, cash receivables, wages and benefits.

Equipment is defined as a capital asset that is not consumable or expandable; it is movable, even though sometimes attached to other objects or buildings; and its removal does not create a readily observable physical impairment or deterioration. Examples include, but are not limited to: office equipment including computers, desks, cabinets, printers and scanners, electronic data processing equipment, cameras and recording devices, construction and maintenance equipment, tools, and inventory items.

PROHIBITED ACTS:

Fraud and misuse of Van Buren County Road Commission assets are prohibited. Examples of fraud and misuse of road commission assets include but are not limited to:

1. Embezzlement.
2. Misappropriation, misapplication, destruction, removal, or concealment of Van Buren County Road Commission property.
3. Alteration or falsification of documents.
4. Theft of any asset (money, tangible property, road materials, inventory, etc.)
5. Intentional circumvention of procedures.
6. Authorizing or receiving compensation for goods not received or services not performed.
7. Authorizing or receiving compensation for hours not worked.
8. Misrepresentation of fact.

The Van Buren County Road Commission hereby adopts a zero tolerance policy regarding fraud and misuse of road commission assets. No employees of the road commission, contractor or sub-contractor working for the road commission or member of the public shall engage in fraud, embezzlement, misappropriation, theft or misuse of and road commission asset. An individual who violates this policy will be subject to any or all of the following: civil action, restitution, and/or criminal charges. In addition to the above-listed remedies, employees who violate this policy will be subject to disciplinary action, up to and including discharge.

COMPLAINT PROCEDURE:

1. Employees of the Van Buren County Road Commission shall read and understand this policy. Employees shall be expected to report any suspected or known fraudulent act to their supervisor or to the Department Head. If an employee has reason to believe that his/her supervisor may be involved in the suspected or known fraudulent act, the employee shall notify the ~~Engineer-Manager or the Accountant~~ **Managing Director, or his/her designee.**

2. Supervisors/Department Heads shall (a) communicate the provisions of this policy to all staff, (b) report all complaints of suspected or fraudulent activity to the ~~Engineer Manager or the Accountant~~ **Managing Director, or his/her designee**, (c) take no action without consulting the ~~Engineer Manager~~ **Managing Director**, and (d) recommend appropriate disciplinary action when there is evidence of wrong-doing.
3. When made aware of a suspected or known fraudulent act, the ~~Engineer Manager or the Accountant~~ **Managing Director, or his/her designee** must initiate an internal investigation. The internal investigation may include, but is not limited to, review of cash journals, ledgers, and accounting records.
4. All participants in a fraud investigation shall keep the details and results of the investigation as confidential as is reasonably possible under the circumstances.
5. There shall be no retaliation against any employee because the employee has made a report of a suspected or known fraudulent act, testified, assisted, or participated in an investigation under this policy. Any such retaliation will result in disciplinary action, up to and including discharge from employment.

PREVENTION:

Each department will maintain an internal control environment to protect the department and the Van Buren County Road Commission from loss or other damages as a result of a fraudulent act.

FALSE ALLEGATIONS:

False allegations of suspected fraud with the intent to disrupt or cause harm to another will be subject to disciplinary action up to and including termination of employment.

CORRECTIVE ACTIONS AND DISCIPLINE:

Appropriate and timely action will be taken against anyone who has committed a violation of this Policy. These remedial actions may include, but are not limited to:

1. Disciplinary action (up to and including immediate termination of employment).
2. Restitution for all losses, including investigation and legal expenses, to the fullest extent of the law.
3. Forwarding information to the appropriate authorities for criminal prosecution.
4. Institution of civil action to recover losses.
5. Where the Van Buren County Road Commission elects to take corrective or disciplinary action, it will proceed under the procedures in place under policy or under any collective bargaining agreement for the respective employment classification.
6. The Van Buren County Road Commission may take corrective or disciplinary action without awaiting the resolution of criminal or civil proceedings arising from the fraudulent conduct.

CONFIDENTIALITY:

All investigations will be conducted in confidence insofar as reasonably possible. The name or names of those communicating information about a fraudulent act and the name or names of those suspected of a fraudulent act will only be revealed when required by law in conjunction with the investigation or legal action.

**VAN BUREN COUNTY ROAD COMMISSION
ANTI-HARASSMENT POLICY
Policy No. 2018-02**

Effective with the adoption of this policy, the Board of Van Buren County Road Commissioners hereby implements an Anti-Harassment Policy.

The Van Buren County Road Commission is committed to providing a work environment that maintains employee equality, dignity and respect. In keeping with this policy, the Van Buren County Road Commission strictly prohibits discriminatory practices, including harassment, sexual or otherwise. Any unlawful harassment, whether verbal, physical, or environmental, is unacceptable and will not be tolerated. It is the responsibility of all employees of the Road Commission to nurture and maintain work environments in which employees, citizens, labor representatives, and vendors are valued, welcomed, and treated with respect.

Harassment of, or discrimination against, Road Commission employees based on race, color, religion, national origin, age, sexual orientation, height, weight, marital status or non-disqualifying disability is prohibited. The Van Buren County Road Commission resolves to provide:

- workplace free from discrimination based on an individual's race, color, religion, national origin, age, sexual orientation, height, weight, marital status, or non-disqualifying disability, and the provision of public services on the same basis.
- workplace free from harassment and hostility due to race, color, religion, national origin, age, sexual orientation, height, weight, marital status, or non-disqualifying disability.
- equal employment opportunities in all phases of employment through recruitment, retention, and advancement of diverse qualified people, and utilization of job related criteria in making employment decisions.

Sexual harassment is illegal under federal and state laws. It is defined by the Equal Employment Opportunity Commission as any unwelcome sexual advance, request for sexual favors, or other verbal or physical conduct of a sexual nature when:

- a. Submission to the conduct is made either explicitly or implicitly a term or condition of an individual's employment;
- b. Submission or rejection of such conduct by an individual is used as the basis for employment decisions affecting the individual; or,
- c. The conduct has the purpose or effect of substantially interfering with the individual's performance or of creating an intimidating, hostile or offensive working environment.

Harassment on the basis of religion, race, color, national origin, age, sexual orientation, height, weight, marital status, or non-disqualifying disability is illegal under federal and/or state laws. Such harassment is defined as unwelcome conduct or communication has the purpose or effect of substantially interfering with an employee's work performance or of creating an intimidating, hostile or offensive work environment.

Violations of this policy shall subject the offending employee to disciplinary measures, up to and including discharge.

Van Buren County Road Commission management is responsible for addressing all reports of discrimination, including racial and gender harassment. Any employee who has a complaint must bring the problem to the attention of the **Engineer-Manager Managing Director**, the Board Secretary, or any Road Commissioner. If the complaint involves one of the above-named individuals, then the employee may go to any other of these named individuals.

The success of this Policy will be dependent upon communications between an employee, his or her co-employees and those charged with enforcing the Policy. The Commission cannot respond or react to harassment conditions that are unknown to it and/or cannot be documented. Therefore, it is recommended that the employee who believes he or she has been harassed by another employee(s) advise the offending employee and put him/her on notice of the offending behavior and that such activity must stop. Employees who do not feel comfortable doing so should instead promptly report the alleged harassment to the Commission management for investigation. Further, any employee who believes he or she has been harassed in violation of this Policy should promptly report such harassment to the Commission management for investigation.

Management is responsible to objectively investigate reports of any harassment by or between employees of the Commission. All harassment complaints should be reduced to writing and include all appropriate information in order to facilitate investigation of the complaint. Specifically, the complaint should contain:

1. The name and address of the person filing;
2. The full name and address (if known) of the person against whom the charge is being made; and,
3. A short summary of the allegedly harassing action or conduct.

The recipient of the complaint and/or appropriate designee shall conduct an independent investigation and evaluation of the validity of the complaint. Investigations and evaluations shall be completed in a timely fashion. Anonymous complaints must be as detailed as possible to ensure proper follow-up. Written complaints will be resolved in the best interests of both the complainant and the Commission.

The Commission will take appropriate corrective action, up to and including discharge, to remedy all violations of this Policy. There will be no discrimination or retaliation against any employee because the employee has filed a good faith complaint, truthfully testified, assisted, or participated in an investigation under this policy. This policy does not preclude any employee from filing a complaint or grievance with an appropriate outside agency.

MAILBOX REPLACEMENT POLICY

Policy No. 2015-02

In order to provide a fair and uniform resolution to incidents involving mailboxes damaged by Road Commission equipment, the Van Buren County Road Commission hereby adopts upon Motion by Commissioner Chester M. Ray, seconded by Commissioner Gregory H. Kinney, the following Policy concerning repair/replacements of mailboxes or other encroachments in the County Road Right-of-Way:

WHEREAS, it is the duty of the Van Buren County Road Commission to maintain the County Road Right-of-Way in a manner reasonably safe for public travel and for the exclusive use of the public, as opposed to the private use of an individual maintaining an encroachment upon the public right-of-way; and,

WHEREAS, snow being thrown by the plow can significantly impact the mailbox and cause damage. Mailboxes must be securely fastened in the ground to reduce or resist the impact of thrown snow; and,

WHEREAS, mailboxes shall be installed and constructed as set forth in the Van Buren County Road Commission's Guidelines for Mailboxes and Supports, as posted.

NOW, THEREFORE, IT IS RESOLVED that if it is determined by Road Commission staff that a mailbox and/or post was struck directly by Road Commission equipment, the Road Commission will replace the existing mailbox and/or post with a standard mailbox and/or post. Custom mailboxes and posts will not be replaced in-kind.

IT IS FURTHER RESOLVED that the Road Commission will replace the mailbox and/or post only when Road Commission equipment is found to have made direct contact with the mailbox; not when the box is knocked over by snow or slush that is thrown by the plow.

IT IS FURTHER RESOLVED that if a mailbox has been hit by Road Commission equipment, it must be reported to the Van Buren County Road Commission within 24 hours, unless there are extenuating circumstances as determined by the ~~Engineer-Manager~~ **Managing Director**, or his or her designee; and,

IT IS FURTHER RESOLVED that other encroachments, such as sprinkler systems, ornamental plantings, fences, advertising signs and others are not permitted and will not be replaced, repaired or reimbursed by the Van Buren County Road Commission.

IT IS FURTHER RESOLVED that the ~~Engineer-Manager~~ **Managing Director**, or his or her designated representative, is authorized to use reasonable discretion in resolving matters involving unusual circumstances.

VAN BUREN COUNTY ROAD COMMISSION
MEDIA RELATIONS POLICY

Policy No. 2016-05

Overview

The Van Buren County Road Commission seeks to inform its residents, businesses, visitors and the motoring public, in general, by engaging in a proactive communications program. This program recognizes that one of the most effective means to communicate Road Commission activities is by working in partnership with the news media. The “media” as referred to herein includes all representatives of print, internet, and broadcast entities and affiliates, including, but not limited to newspapers, magazines, newsletters, online publications, television and radio.

Inquiries from the news media are given a high priority by the Van Buren County Road Commission and should be responded to as quickly and efficiently as possible. Every effort should be made to meet media deadlines and to ensure that all information released is accurate.

Designated Spokesperson

The ~~Engineer-Manager or, in his absence, the Board Secretary-Accountant~~ **Managing Director, or his/her designee**, are the “Designated Spokespersons” for the Van Buren County Road Commission’s media relations. Staff should immediately notify the Designated Spokesperson of any media inquiries, taking a message, if necessary, being careful to obtain the reporter’s name, phone number, topic of story and deadline. The Designated Spokesperson may assign the media relations inquiry response to another Road Commission staff member as deemed appropriate.

If a media inquiry is of a sensitive or controversial issue, or one that involves pending litigation or exposure to litigation, it may be referred by the Designated Spokesperson to the Van Buren County Road Commission’s legal counsel for response.

Personal Points of View

It is recognized that all Road Commission employees have the right to their personal points of view regarding any issue. However, personal points of view may conflict with the Van Buren County Road Commission’s official policy and/or procedure. Therefore, Road Commission employees who write letters to the editor of any newspaper may not use official Road Commission stationery. If an employee chooses to identify himself or herself as a Road Commission employee in any personal letter or email to the editor, he or she must include language which states that the views set forth in said letter do not represent the views of the Road Commission but, rather, are the employee’s personally held opinions. Similar disclaimers must be given if an employee addresses a public meeting, participates in a radio talk show, or is interviewed for a radio or television program, unless the employee is officially representing the Van Buren County Road Commission.

AYES: 5
NAYS: 0
MOTION CARRIED.

Bishop provided information regarding his recommendation to amend Policy 2016-02. Motion by Moffat, seconded by Boze to amend Policy 2016-02, Facility Security Policy as follows:

**Van Buren County Road Commission
Facility Security Policy
Policy No. 2016-02**

The purpose of this Policy is to provide proper guidelines to ensure a safe and secure workplace for staff and visitors, and to protect the facilities, equipment and materials.

1. ~~The following personnel shall be designated as Key Employees responsible for securing their respective area(s):~~ **The Managing Director, or his/her designee, shall be responsible for securing the following areas:**

**Administrative Office
Equipment Storage/Maintenance Facility
Bloomingdale and Bangor Facilities
Equipment Storage/Maintenance Facility - Breakroom**

_____	Greg Pardike*	Administrative Office
_____	Gary Rohacs*	Equipment Storage/Maintenance Facility
_____	Lynn Boitnott*	Bloomingdale and Bangor Facilities
_____	Brian Cornish*	Equipment Storage/Maintenance Facility - Breakroom

~~_____~~ * or Staff on Duty

2. Exterior doors to buildings and yard gates will be locked after normal business hours (including weekend and holidays) by the Key Employee so designated above,
3. Visitors (including vendors, contractors and sales representatives) shall report to the Administrative Office to check in for access to facilities; or to make arrangements; or receive authorization for access to other sites. The back door to the Administrative office shall remain locked with key code pad entry for employees only.
4. Any suspicious activity, or individuals acting in a suspicious manner, should be immediately reported to a Key Employee or the Van Buren County Sheriff Department.
5. Current security measures are appropriate for the Van Buren County Road Commission at the present time. This procedure shall be reviewed at such time additional security is required or as necessary.

AYES: 5
NAYS: 0
MOTION CARRIED.

Bishop provided information regarding his recommendation to amend Policy 2006-03. Motion by Boze to amend Policy 2006-03, Investment Policy as follows:

**VAN BUREN COUNTY ROAD COMMISSION
POLICY NO. 2006-03
“INVESTMENT POLICY”**

1. Purpose

It is the policy of the Van Buren County Road Commission to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the road commission and complying with all state statutes governing the investment of public funds.

2. Scope

This investment policy applies to all financial assets of the road commission, with the exception of the Road Commission's Pension, which has its own policy (2015-003) for the management of pension investments. These assets are accounted for in the various funds of the road commission and include the general fund, debt service funds, and any other funds established by the road commission through the county treasurer.

3. Objectives

The primary objectives, in priority order, of the road commission's investment activities shall be:

- Deposits and Investment Risk—deposits and investments shall have sufficient safety and diversity to assure that the road commission's exposure to credit risk, interest rate risk and foreign currency risk is low. Deposit and investment risk definitions are included later in this policy.
- Safety - safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.
- Diversification - the investments will be diversified by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- Liquidity - the investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
- Return on Investment - the investment portfolio shall be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

4. Delegation

The ~~Board Secretary-Accountant~~ **Finance Director** is designated as the Investment Officer of the Van Buren County Road Commission and is responsible for carrying out investment decisions and activities as well as instructing the Van Buren County Treasurer to invest excess road commission funds.

5. Authorized Investments

The investment of surplus funds shall be as follows:

- In bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution.
- In commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and which matures not more than 270 days after the date of purchase.
- In United States government or federal agency obligation repurchase agreements consisting of bonds, securities, and other obligations of the United States.
- In bankers' acceptances of United States banks.
- In obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.

The Board approves the following financial institutions, or other financial institutions deemed qualified by the Investment Officer, as depositories of road commission funds:

- PNC Financial Services Group
- Merchantile Bank of Michigan
- ~~Educational Community Credit Union~~ **Arbor Financial Credit Union**
- 5/3 Fifth Third Bank
- Chemical Bank Shoreline

6. Safekeeping, Custody, and Prudence

The Investment Officer shall recommend financial institutions for approval for the safekeeping of road commission funds based on an evaluation of the performance and solvency of the institution, as well as past performance in exercising due care and prudence in managing the custody of road commission funds held in trust, if applicable. The Investment Officer shall periodically evaluate approved and potential financial depositories and shall make recommendations as to appropriate changes in approved depositories when warranted.

In determining safekeeping and custody qualifications, financial institutions document a minimum capital requirement of at least \$10,000,000 and at least five years of operation. All financial institutions and brokers/dealers shall be pre-qualified by supplying the following:

- Audited financial statements
- Proof of NASD certification or FDIC insurance
- Proof of state registration
- Certification of having read, understood and agreement to comply with the Van Buren County Road Commission investment policy.

“Financial institution” means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this state under the laws of this state or the United States.

The Investment Officer shall annually examine the financial condition and registrations of qualified financial institutions and brokers/dealers by obtaining annual updates of the information listed above.

The Investment Officer shall make such investments and only such investments as a prudent person would make in dealing with the property of another, having in view the preservation of the principal and the amount and regularity of the income to be derived. The standard of prudence to be used shall be the "fiduciary" standard and shall be applied in context of managing an overall portfolio.

All security transactions shall be held by the Van Buren County Treasurer and evidenced by a safekeeping receipt.

The Investment Officer shall produce quarterly reports for the Board of Road Commissioners, listing by fund each investment within the fund.

- The report should disclose the amount of investment, the institution, maturity date, and interest rate.
- A summary of all investments shall be shown at the end of each report, listed by institution and type of investment.

A yearly report for the fiscal year will be provided to the Board and will disclose the following:

- Investment disclosures should be organized by investment type such as U.S. Treasuries, bonds, or commercial paper. Dissimilar investments, such as U.S. Treasury bills and U.S. Treasury strips, should not be aggregated into a single investment type.
- The report should disclose information about the **credit risk** associated with investments by disclosing the credit quality ratings of investments in debt securities as described by nationally recognized statistical rating organizations.
- The report should disclose the credit quality ratings of external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. If the investment is unrated, the report should indicate that fact. (Exclude U.S. government obligations or those explicitly guaranteed by the U.S. government).
- The report should disclose information about the **concentration of credit risk** associated with investments by illustrating, by amount and issuer, investments in any one issuer that represents 5 percent or more of total investments. (Exclude investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).
- The report should disclose information about the **interest rate risk** of debt investments by one of the following methods:
 - o Segmented time distribution
 - o Specific identification
 - o Weighted average maturity
 - o Duration

- o Simulation model

The report should also disclose the terms of investments with fair values that are highly sensitive to changes in interest rates.

· If the road commission has deposits at the end of the year that are exposed to custodial credit risk, the report should disclose the amount of those bank balances, the fact that the balances are uninsured, and whether the balances are exposed because they are:

- a) Uncollateralized, or
- b) Collateralized with securities held by the pledging financial institution, or
- c) Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's (county) name.

The Investment Officer should select the disclosure method that is most consistent with the method used to identify and manage interest rate risk.

7. Deposit and Investment Risk Definitions:

- **Credit Risk.** The risk that an issuer or other counterparty to an investment will not fulfill its obligations. In addition to the credit quality of the issuer of debt securities, credit risk includes concentrations of credit risk and custodial credit risk, as follows:
 - o **Concentration of credit risk.** The risk of loss attributed to the magnitude of a government's investment in a single issuer.
 - o **Custodial credit risk.** For deposits, the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For investments, the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.
- **Interest Rate Risk.** The risk that changes in interest rates will adversely affect the fair value of an investment.
- **Segmented time distributions** group investment cash flows into sequential time periods in tabular form.
- **Specific identification** does not compute a disclosure measure but presents a list of each investment, its amount, its maturity date, and any call options.
- **Weighted average maturity** measure expresses investment time horizons – time when investments become due and payable – in years or months, weighted to reflect the dollar size of individual investments within an investment type.
- **Duration** – A measure of a debt investment's exposure to fair value changes arising from changing interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price.
- **Simulation models** estimate changes in an investment's or a portfolio's fair value, given hypothetical changes in interest rates. Various models or techniques may be used, such as "shock test" or value-at-risk.

AYES: 5
NAYS: 0
MOTION CARRIED.

Bishop provided information regarding his recommendation to amend Policy 2016-08. Motion by Moffat, seconded by Boze to amend Policy 2016-08, Budget Appropriation Act Policy as follows:

**VAN BUREN COUNTY ROAD COMMISSION
Budget Appropriation Act Policy
Policy No. 2016-08**

The Board of County Road Commissioners of Van Buren County (here in after referred to as the Board), uses budgets and budgetary accounting in order to fulfill its requirements from the Michigan Department of Treasury and as an internal management tool for monitoring expenditures and identifying abnormalities. Policies and procedures regarding the budgetary process are as generally accepted accounting practices.

1. An operating budget will be prepared for the general fund and each special revenue fund consistent with Generally Accepted Accounting Practices (GAAP) and the uniform chart of accounts.
2. The minimum level of legal control will be determined based on the specifications of the Michigan Department of Treasury.
3. In accordance with MCL 141.411-415 and MCL 15.261-275, a public hearing on the budget will be held prior to formal adoption by the board.
4. The budget will be formally adopted by the Board prior to the commencement of the fiscal year.
5. The adopted budget will include:
 - a. Revenue and expenditure data for the most recently completed fiscal year and estimated revenue and expenditures for the ensuing fiscal year.
 - b. The amount of surplus or deficit that has accumulated from prior fiscal year, along with an estimate of the amount of surplus or deficit expected in the current fiscal year.
 - c. An estimate of the amounts needed for deficiency, contingent, or emergency purposes.
 - d. Other data relating to fiscal conditions that the Finance Director deems to be useful.
6. The budget will be amended by the Board, as necessary, throughout the fiscal year. No budget amendments will be allowable after year-end.
7. In no instance will the total estimated expenditures, including an accrued deficit, exceed the total revenues, including available unappropriated surplus.
8. The budgets will be posted to the Van Buren County Road Commission's website within 30 days of formal adoption.
9. Expenditures in excess of budget at the legal level of compliance will be disclosed in the annual audit.
10. The original budget, final amended budget, actual expenditures, and excess of expenditures over budget will be included for the general fund and each major special revenue fund in the annual audit.
11. Each Federal grant will have an award budget, which will be incorporated into the county-wide operating budget.
12. Management will review budget vs. actual reports on a periodic basis with the Board in order to identify inconsistencies.

AYES: 5
NAYS: 0
MOTION CARRIED.

Commissioner Moffat discussed Asset Management Plans and the state requirement for the Van Buren County Road Commission to submit a plan by October 21, 2021. Moffat would like the Board to set criteria for the Asset Management Plan and would like monthly or every other month updates on the plan from staff as it is developed. Staff provided updates as to the progress being made in the development of the plan. Staff also indicated that they would be working on the asset management assessment.

Motion by Moffat, to postpone consideration of the resolutions to decertify roadways within Columbia Township at the request of Supervisor Norton.

AYES: 5
NAYS: 0
MOTION CARRIED.

Motion by Burleson, seconded by Boze to recess the Regular Meeting at 6:08 PM to open a Regular Meeting of the Board of Public Works.

AYES: 5
NAYS: 0
MOTION CARRIED.

Motion by Burleson, seconded by Moffat to reconvene the Regular Meeting at 6:10 PM with all Members present.

AYES: 5
NAYS: 0
MOTION CARRIED.

Commissioner Updates and Reports:

Askew: Attended the 2/27/20 Public Information Meeting and the Township Supervisor Meeting.

Boze: Attended the 2/27/20 Public Information Meeting and the Township Supervisor Meeting. Also attended Keeler's meeting on Tuesday.

Burleson: Attended the 2/27/20 Public Information Meeting and the Township Supervisor Meeting.

Kinney: Attended the 2/27/20 Public Information Meeting and the Township Supervisor Meeting.

Moffat: Attended the 2/27/20 Public Information Meeting and the Township Supervisor Meeting.

Motion by Boze, seconded by Moffat to approve a special request for per diem for the Public Information Meeting and the Township Supervisor Meeting.

AYES: 5
NAYS: 0
MOTION CARRIED.

Motion by Moffat, seconded by Askew to adjourn the Call of the Chair at 6:23 PM.

AYES: 5
NAYS: 0
MOTION CARRIED.

Secretary

Chairman