

Letter: Inefficiencies plague EL Dorado County

Publisher's note: This letter was given to the EL Dorado County Board of Supervisors Sept. 23. The issue pertains to a grader for the Meeks Bay area. The chair of the Meeks Bay fire board, the same person who was fine with the payout and subsequent pension the fire chief received, has blamed the auditor-controller for the mess. The auditor-controller explains here why the Community Development Agency is to blame for the delay of purchasing the grader. The board voted to pay for the grader with cash, per the auditor's recommendation.

Ladies and Gentlemen:

The purpose of this letter is to document (1) my opposition to the CDA Director's recommendation on this matter, (2) my disappointment in the CDA's Board letter, and (3) my recommendation that your Board instruct the CDA Director to take the initial steps to improve the administrative controls at CDA.

Opposition to Recommendation

CDA determined that the County was better off owning this motor grader versus leasing this motor grader. I have not seen CDA's analysis that supports that determination, but it seems reasonable. I recommend that this item be trailed until 2:00 PM today. If CDA has an analysis that indicates that it is better to own than lease, I recommend that the County general fund loan \$350,000 to CSA#3, and that the County buy this motor grader. The County Treasurer's pool rate is generally less than 1%, significantly lower than the rate charged by John Deere.

Disappointment with Board Letter

A CDA employee signed a purchase contract with Pape Machinery, Inc. for \$753,526 for two motor graders dated April 29, 2014. I can find no evidence that this purchase contract was approved by County Counsel. I think that this is a significant omission from the Board letter. It is unclear to me whether the signed purchase contract dated April, 2014, will hold precedence over the operating lease that your Board is being asked to approve today.

It is very unusual for any County employee other than the CAO or the Board Chair to sign a \$750,000 contract. Accordingly, one would assume that a copy of the contract would be routed to the employee's superiors as soon as possible. I am disappointed that the Board letter does not indicate when a copy of the signed purchase contract was delivered to CDA Administration.

Improvements needed to CDA's Administrative Controls

An unauthorized purchased contract, dated April 2014, was signed by a CDA employee and the matter was not brought before your Board until September 2014.

A \$350,000 motor grader was delivered to CDA in May, and the matter was not brought before your Board until September 2014.

I have asked a number of questions of the CDA Director regarding this matter that he has been unable to answer. The CDA Director supports an investigation of the matter by an outside consultant that is being recommended by the CAO.

This motor grader Legistar file was established on June 19, 2013, fifteen months ago. A number of questions remain unanswered regarding this item. CDA's e-mail records indicate an enormous amount of time has been spent on this matter due to confusion at CDA. CDA is a sputtering, slow bureaucracy.

I recommend as part of this agenda item your Board direct the CDA Director to make efforts to significantly improve the

administrative control structure at CDA.

Sincerely,

Joe Harn, CPA auditor-controller