

SEPTEMBER 26, 2007

The Board of County Road Commissioners for Montcalm County held a meeting at its office located in Stanton, Michigan at 3:00 p.m. on September 26, 2007.

Present: Commissioners Dale Linton, Robert Brundage and Donald McCracken; Randy Stearns, Managing Director; Mark Christensen; Superintendent; and Karen Swan, Finance Director-Clerk.

Moved by Brundage, seconded by McCracken, to approve the minutes of September 12, 2007 as presented. Motion carried.

Moved by Brundage, seconded by McCracken, to approve the agenda as presented. Motion carried.

Steve VanHoose came before the Board to request that the Road Commission consider abandoning the portion of Slawson Lake Road that currently runs across his property and redirecting the traffic from that portion of the road down Lynwood Drive, on the east side of his property, across Arloa Drive and then back out to Slawson Lake Road on the west side of his property. Mr. VanHoose stated he would be willing to donate a strip of land on the west side of his property to construct a new link between the west end of Arloa Drive and Slawson Lake Road. Dale Linton stated that Road Commission personnel would have to make an on-site review of the area before considering Mr. VanHoose's request; and if they deemed the request a possibility, a public hearing would have to be scheduled to get input from township officials and the residents on Lynwood Drive and Arloa Drive. Mr. VanHoose was advised that he would be contacted after Road Commission personnel make the on-site review.

Jerry Stone of Strait Tow Boulevard came before the Board to discuss the unimproved road right-of-way for Thelma Drive, which runs east off of Strait Tow Boulevard down to Crystal Lake. Mr. Stone advised the Board that the seawall, which had been discussed at the last board meeting, has been removed—probably for the winter. Mr. Stone was advised that after checking with the Road Commission's attorney, it was determined that encroachments cannot be constructed in public road right-of-way—even if it is unimproved—without permission from the Road Commission. Mr. Stone asked if the Road Commission would be willing to install a sign at this location, before next summer, stating that encroachments or obstructions are prohibited. The Board stated that it would be willing to do this.

Moved by McCracken, seconded by Brundage, to open the public hearing to discuss the proposed FY2008 General Appropriations Budget. Motion carried.

Karen Swan, Finance Director, advised the Board of the following:

- The year-end 9/30/07 General Appropriations Budget is estimated to be \$11,433,000 plus operating funds of \$430,200 for October bills and payroll and \$259,600 restricted operating funds for the Greenville salt shed and next year's federal aid projects for a total of \$12,122,800.
- Except for the purchase of five new truck boxes, the FY2008 budget does not include the purchase of any new trucks or road equipment—for the fourth year in a row—this is due to the following:
 - CRAM and MDOT have advised road commissions that the 2008 MTF is expected to be three to four percent less than the MTF received in 2007. This would be a loss of revenue equal to about \$166,000 to \$222,000 depending on how high it actually goes.
 - The FY2008 payroll is based on a full workforce with three current open positions filled, no layoffs, a 2.6% wage increase for union employees and no increase for salaried employees. This equates to an increase of \$187,000 over 2007's actual payroll for the year plus an additional \$93,000 for health insurance, pension and OPEB requirements for future retiree health insurance costs, which we are required to start contributing to.
 - Due to the decision to extend the lease-purchase arrangements for graders 97 and 98, the long-term debt payments are about \$82,000 higher than in 2007—which is less than the \$220,000 we would have had to pay this year if the agreements had not been extended.
- Reviewed the proposed 2008 General Appropriations Budget.

The public hearing ended at 3:50 p.m. and the regular meeting commenced.

Moved by McCracken, seconded by Brundage to approve and adopt the FY2008 General Appropriations Budget in the amount of \$12,329,619. Furthermore, for the purpose of administering the General Appropriations Budget in accordance with the provisions of Public Act 621 of 1978, as amended, the following provisions are included: 1) Randy Stearns, Managing Director, is designated as Chief Administrative Officer and Karen Swan, Finance Director-Clerk, is designated as Fiscal Officer. 2) The Chief Administrative Officer is authorized to transfer up to 25% of a line item amount approved in the General Appropriations Budget to another line item without prior approval but subject to approval by the Board of County Road Commissioners at their next regular board meeting. 3) The expenditure amount of Distributive Expense, as approved in the General Appropriations Budget, shall

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be allocated to the various other expenditure line items in the proportion as the allocation of actual Distributive Expense at yearend. Motion carried. Roll call: Yes-McCracken, Brundage, Linton.

Moved by Brundage, seconded by McCracken, to approve the year-ending September 30, 2007 General Appropriations Budget at \$12,122,800, which includes estimated operating funds of \$689,800. Motion carried. Roll call: Yes-McCracken, Brundage, Linton.

Moved by Brundage, seconded by McCracken, to approve the transfer of up to 30%, if needed, of Michigan Transportation Funds from the Primary Road Fund to the Local Road Fund on the Act 51 Annual Financial Report for the year ending September 30, 2007. Motion carried. Roll call: Yes-McCracken, Brundage, Linton.

Moved by Brundage, seconded by McCracken, to approve and sign the Independent Contractor Agreement for Beaver Control Services with Carl Hartman for the period November 15, 2007 through November 14, 2008. Motion carried. Roll call: Yes-McCracken, Brundage, Linton.

Manager's Report

- In the past we talked about the possibility of getting inmates from the county jail to wash vehicles and automotive students from the career center to change oil and grease vehicles, so I've left a message for Sheriff Barnwell to call me and I recently spoke to the instructor at the career center. The instructor said it is very early in the semester and he is not familiar with his students' capabilities yet, but would be glad to get back with me in the near future to discuss a part-time, school/work program.
- Miller Development is requesting a one-month extension, until November 3rd, to complete the critical bridge project on Blackmer Road over Fish Creek, just north of Condensery Road. The company making the concrete beams didn't start production until last week, which has put Miller behind.

Moved by McCracken, seconded by Brundage, for the Board to approve Miller Development's request to extend the completion date for the Blackmer Road over Fish Creek critical bridge project to November 3, 2007. Motion carried. Roll call: Yes-McCracken, Brundage, Linton.

- Pavement Recycling, Inc. has offered to extend its current price for crushing to next year.

Moved by McCracken, seconded by Brundage, to accept Pavement Recycling's offer to extend its current bid for crushing to the 2008 construction season. Motion carried. Roll call. Yes: McCracken, Brundage, Linton.

- We have talked a lot in the last few years, and especially lately, about reduced funding, increased costs, and the need to reduce costs. After reviewing the upcoming year's budget and seeing the further reduction in MTF revenues and ever-increasing costs, I think it is very apparent to all of us that we have some tough decisions to make. Over the past few years we have reduced the workforce through early retirements, left positions unfilled, eliminated the Weighmaster/Permits position, made changes to the health insurance plan, and put off purchasing vehicles and equipment. Unfortunately, I think we have to look further, and with that in mind I would recommend that the Board consider the County Highway Engineer's position. Residential driveway permits have dropped from 223 in 2004 to 93 so far this year; new plats and site condos have dropped off; selling our federal aid funds each year has reduced the amount of paperwork and reporting to MDOT—with further funding reductions coming down the road, can we justify this position's wages and benefits when much of the job can be contracted to an engineering firm for a much lower cost. After much discussion the Board accepted the Managing Director's recommendation.

Moved by McCracken, seconded by Brundage, to adopt the following resolution:

WHEREAS, the position of County Highway Engineer exists within the Road Commission for Montcalm County; and

WHEREAS, due to financial considerations including three years of steadily-declining revenues, a forecasted decrease in FY2008 MTF revenues, restructuring, the reduction of Road Commission and Township road projects, driveway permits, plats and site condo developments, the Road Commission, through its Board, has determined that it is necessary to eliminate the County Highway Engineer's position;

NOW, THEREFORE, the Board of County Road Commissioners hereby eliminates the position of County Highway Engineer effective September 27, 2007. The employee currently holding this position shall be subject to lay-off as of that date and shall be paid two weeks of severance and 18 ½ hours of unused vacation pay.

Motion carried. Roll call: Yes-McCracken, Brundage, Linton.

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Moved by McCracken, seconded by Brundage, to sell the 2008 STP and Federal D funds, as allocated to the Road Commission, to the Michigan Department of Transportation. Motion carried. Roll call: Yes – McCracken, Brundage, Linton.

Superintendent's Report

- Paving should be completed the week of October 8th.
- Met with MDOT this week; they are looking at how they, and in turn the contract counties, provide winter maintenance services. They are proposing high priority trunklines and lower priority trunklines. Nothing is in black and white yet, but if this goes through, there are some state highways in the county that will be lower priority. With that in mind, my feeling is that if MDOT has state highways that have a much higher traffic rates than any of our roads and are a lower priority, there can't be any county primary roads that would have a higher priority.

Commissioners' Comments

- What is the status of the salt shed for Greenville? According to MDOT it is approved for 2008; we will be taking bids this winter.

Moved by McCracken, seconded by Brundage, approve the 9/26/07 bills totaling \$381,299.71 and Payroll #20 totaling \$51,284.81. Motion carried. Roll call: Yes-McCracken, Brundage, Linton.

There being no further business, the meeting adjourned at 4:45 p.m.

Chairman

Clerk