

SEPTEMBER 26, 2012

The Board of County Road Commissioners of Montcalm County held a regular meeting at its office located in Stanton, Michigan at 3:00 p.m. on September 26, 2012, preceded by the annual budget hearing at 2:30 p.m.

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

Moved by McCracken, seconded by Brundage, to open a Public Hearing at 3:00 p.m. for the purpose of reviewing the proposed 2013 General Appropriations Budget.

The Finance Director-Clerk advised the Board that the budget is being balanced by transferring approximately \$160,000 from the Road Commission's fund balance. In addition, we continue to leave several positions unfilled and we continue to put off replacement of heavy equipment in order to balance the budget.

REVENUES – Budget Amount: \$14,034,199

Michigan Transportation Funds – We have budgeted an increase in our share of state gas tax and license plate receipts for 2013. Revenues for next year are projected to be \$29,440 more than the current year (2012), but approximately \$527,000 less than what the Road Commission received in 2004 where after MTF revenues began a yearly decline.

State and Federal Aid – We have budgeted State and Federal aid for the following projects proposed for 2013: 1) Overlay Stanton Road from M-66 to Cedar Lake Road; 2) Seal-coat and fog-coat Federal Road from South County Line to Cannonsville Road; 3) Rehabilitate Fenwick Road Bridge over Dickerson Creek; 4) Replace Sidney Road Bridge over West Branch of Fish Creek; 5) Replace Carlsen Road Bridge over Dickerson Creek; and 6) Improve intersection on Deja Road at Edgar Road.

State Trunk Line Maintenance – As of September 26th we have not received a trunk line maintenance budget from the Michigan Department of Transportation. We have budgeted \$1,200,000. This amount will be adjusted once we receive the trunk line budget from MDOT.

Township Contributions – We have budgeted a small increase in township contributions compared to the current year. This is based on actual contributions rising over the past two years back to the approximate \$2 million annual contributions made by the townships in the years prior to the economic downturn. In the spring as the townships return signed contracts for local road projects, this number will be adjusted up or down.

EXPENDITURES – Budget Amount: \$14,194,538

Road and Bridge Maintenance (Routine, Preventive and Winter) – We have budgeted close to estimated 2012 budget levels. Since maintenance work is heavily dependent on the weather and conditions beyond our control, these expenditures may need to be adjusted up or down later in the year—usually after we get through winter and see what actual costs are.

Road and Bridge Preservation & Improvement – We have budgeted expenditures based on expected State and Federal aid. We have also budgeted to gravel resurface several miles of primary gravel roads—something we had not done for many years but started doing again in 2012.

Equipment Expense (Direct, Indirect and Operating) – We have budgeted a small decrease in these costs—altogether we feel these costs will remain relatively flat. Since 2009, when equipment repair costs were higher than normal, costs other than fuel have stayed relatively stable.

Capital Outlay – In the past several years we have purchased several used float trucks and other assorted used equipment. This year we have budgeted \$300,000 for capital outlay; equipment to be purchased is yet to be determined.

Long-Term Debt Principal and Interest – We have budgeted \$206,800 for the annual principal and interest payment on the PA143 bonds, which we sold in 2003. This long-term debt will be paid off in this fiscal year.

SEPTEMBER 26, 2012

The Public Hearing ended at 3:10 p.m. and the regular Board meeting commenced.

Moved by Brundage, seconded by McCracken, to approve the minutes of September 12, 2012 as presented. Motion carried.

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

Moved by Brundage, seconded by McCracken, to approve and adopt the FY2013 General Appropriations Budget in the amount of \$14,194,538. 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) Mark Christensen, 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 be allocated to the various other expenditure line items in the proportion as the allocation of actual Distributive Expense at year-end. Motion carried. Roll call: Yes-McCracken, Brundage, Linton.

Moved by Brundage, seconded by McCracken, to approve the year-ending September 30, 2012 General Appropriations Budget estimated at \$13,567,765 plus estimated year-end operating funds of \$86,000 and Heartland Trail funds of \$283,000 (deposits from Friends of Fred Meijer Heartland Trail). Motion carried. Roll call: Yes-McCracken, Brundage, Linton.

Moved by McCracken, seconded by Brundage, to approve the transfer, up to 50% if needed, of Michigan Transportation Funds from the Primary Road Fund to the Local Road Fund for the year ending September 30, 2012. Motion carried. Roll call: Yes-McCracken, Brundage, Linton.

Moved by Brundage, seconded by McCracken, to approve State Trunkline Maintenance Contract No. 2012-0535, between the Road Commission for Montcalm County and the Michigan Department of Transportation, with the following modifications:

- Section 16, Partnering Efforts, Paragraph 1 – The Co-Chairs of the negotiating committees of MDOT and CRAM will work together to resolve by September 30, 2013, the legal issues that were identify by the Attorney General's office. In addition, the Co-Chairs, with the assistance of the Attorney General's office and CRAM legal counsel, will continue to work to clarify and revise the contract language by September 30, 2013. Once completed, MDOT and CRAM agree to recommend amending the existing contract to incorporate any agreed upon contract language clarifications.
- Section 16, Partnering Efforts, Paragraph 5 – MDOT and the Board agree that the use of seasonal employees may be in the best interest of both parties and will continue to address the costs incurred through seasonal employee use. The Co-Chairs of the negotiating committees of MDOT and CRAM will meet quarterly until an agreement can be reached and the Contract amended accordingly.

The term of the contract is from October 1, 2012 through September 30, 2016. The Board hereby authorizes the Chairman and the Managing Director to sign said contract. Motion carried. Roll call: Yes-McCracken, Brundage, Linton.

Moved by Brundage, seconded by McCracken, to accept Michigan Chloride's offer to extend its current bid for chloride to 2013. Motion carried. Roll call: Yes-McCracken, Brundage, Linton.

Moved by Brundage, seconded by McCracken, to approve contract with Carol Smith, P.E. of LS Engineering to be the the Road Commission's County Highway Engineer for fiscal year 2013 and hereby authorize the Managing Director to sign said contract. Motion carried. Roll call: Yes-McCracken, Brundage, Linton.

Moved by Brundage, seconded by McCracken, to approve contract with Susan Sanford, CPA, of Traverse City, Michigan, to provide audit services for the year-ending September 30, 2012

SEPTEMBER 26, 2012

financial audit and hereby authorize the Managing Director to sign said contract. Motion carried. Roll call: Yes-McCracken, Brundage, Linton.

Manager's Report

- The Local Task Force will meet here on October 11th at 9:00 a.m.
- The Rural Task Force will meet at Mecosta County Road Commission on October 18th.
- Our crew has done a lot of work on M-91 south of Greenville for the past two weeks and did a good job.
- The brush spraying contractor has completed spraying roadsides in various locations.
- We have two employees attending the Truck Rodeo on October 10th at Kentwood's municipal garage.
- Fog-sealing job for Ottawa County Road Commission will be completed by our crew tomorrow.
- The Stanton Foreman and the Greenville Foreman will be attending LTAP's Winter Operations conference in Lansing.
- Superintendents' Conference will be held October 3rd and 4th.

Moved by McCracken, seconded by Brundage, to change the October 3rd board meeting to October 10th at 3:00 p.m. and change the October 17th board meeting to October 24th at 3:00 p.m. Motion carried.

Moved by Brundage, seconded by McCracken, to set the Engineering Technician's annual salary at \$50,000 effective October 1, 2012. Motion carried. Roll call: Yes-McCracken, Brundage, Linton.

Moved by Brundage, seconded by McCracken, to increase the Shop Clerk's wage to \$16.85 per hour. Motion carried. Roll call: Yes-McCracken, Brundage, Linton.

Moved by Brundage, seconded by McCracken, to approve the 9/26/12 bills totaling \$539,608.11 and Payroll #19 totaling \$63,190.24. Motion carried. Roll call: Yes-McCracken, Brundage, Linton.

There being no further business, the meeting adjourned at 4:03 p.m.